

## **FISCAL NOTE**

### **HB 283 - SB 1010**

April 3, 2007

**SUMMARY OF BILL:** Establishes inpatient rehabilitation facility services as a mandated benefit of the TennCare program.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$4,356,600**

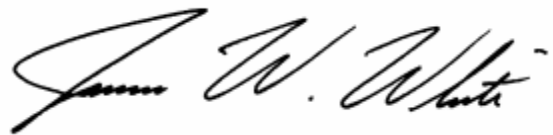
**Other Fiscal Impact – Increase Federal Expenditures - \$7,643,400**

Assumptions:

- It is assumed that inpatient rehabilitation services will be preferred over some outpatient rehabilitation services and nursing home services.
- Inpatient rehabilitation services are generally more expensive than outpatient rehabilitation and nursing home services. The average daily cost in a specialty inpatient rehabilitation setting exceeds \$500 per day.
- In FY06, the cost of inpatient stays that included rehabilitation services in specialty rehab hospitals and acute care settings was \$12,000,000.
- The Bureau of TennCare estimates that it will incur an increase in expenditures of \$12,000,000. Of such amount, \$4,356,600 will be state funds and \$7,643,400 will be federal funds at a 63.695% match rate.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director